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SUBJECT: ON EVE OF ELECTION, KOCHARIAN AND SARGSIAN ON  
DIVERGING PATHS?

Classified By: CDA JOSEPH PENNINGTON FOR REASONS 1.4(B,D)

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SUMMARY  
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11. (C) With Armenian voters set to elect a new president February 19, outgoing President Robert Kocharian and his most likely successor, Prime Minister Serzh Sargsian, appear to be on diverging paths that reflect both their perceived political interests and their differing visions for Armenia's future. Although there has been no public split between the two men who have dominated Armenian political life for the past 10 years, clear differences between Kocharian and Sargsian on a wide array of issues suggest an increasingly competitive relationship that could become the story line for the post-election period. Kocharian's aggressive assertion of Presidential authority in the waning days of his term, seen especially in his hardball tactics during the election process, indicate that he will not relinquish power easily. There is also a renewed currency to previously dismissed speculation that Kocharian will take the Prime Minister's chair after the election. A former presidential adviser told us February 18 that he now expects just that, after months of assuring us that it would not happen. End Summary.

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KOCHARIAN SUPPORTS SERZH, BUT...  
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12. (C) In the waning days of Armenia's presidential election campaign, outgoing President Robert Kocharian has ratcheted up his public rhetoric in support of his protege and likely successor, PM Serzh Sargsian. Kocharian has predicted a first-round victory for the PM, mounted venomous attacks against former President and current opposition candidate Levon Ter-Petrossian (LTP), and argued that an opposition victory would result in political gridlock with a president at odds with a hostile parliament and prime minister. Despite Kocharian's strident efforts to maintain public unity, however, differences between him and PM Sargsian on a range of substantive and procedural issues in recent months have raised questions about the real nature of their relationship and its implications for Armenia's future if Sargsian is in fact elected. While there may be an element of "good cop-bad cop" posturing in all of this, some differences clearly go beyond that, and suggest to us and many of our contacts that Kocharian may be unwilling to play second fiddle to a man he has considered up to now as his junior partner.

13. (S) On the substantive side, clear differences emerged last October over the issue of a possible Armenian troop enhancement to coalition forces in Iraq. After the PM had given a clear positive signal to our request for additional Armenian troops, President Kocharian (who had been out of Armenia at the time of our initial approach) told us there was "no way" he would "ever" make such a decision. He made clear that the decision was his -- not the PM's -- and asked that the USG "not bother the Prime Minister with this issue" during his forthcoming visit to Washington. (Note: Kocharian subsequently relented and agreed to the troop enhancement, but the lack of coordination and genuine disagreement with the PM was evident. End Note.) We have observed a similar dynamic on the issue of Turkish-Armenian relations. Kocharian does not hesitate to express his disdain for the Turks and distrust of their motives, telling us last fall that he "couldn't care less" whether Turkey ever opened the border with Armenia. PM Sargsian, by contrast, has indicated a desire to pursue serious discussions with Turkey on opening relations, publicly expressed his support for Turkey's EU membership process, and told the international press that PM Erdogan may be willing to work toward a new relationship with Armenia.

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WITH FRIENDS LIKE THESE...  
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14. (C) The most striking divergence of views between the two men, however, has been seen in their approaches to the ongoing presidential election campaign. From the beginning, the PM has maintained a consistent public and private position that his domestic and international legitimacy as president, should he be elected, depends on the degree to which Armenians and international observers view the election

process as free and fair. (Comment: This is not to say that the PM's campaign and supporters have observed this rhetoric in practice -- in fact, widespread pressure tactics reported in reftels directly undercut the PM's message. The point is that the PM has remained outspoken and consistent on this point. End Comment.) The President, on the other hand, has availed himself of every opportunity to play hardball with the international community, limit the effectiveness of international observers, bully the media, and demonize the opposition. He has failed, despite repeated requests, to speak out against unfair campaign tactics and voter intimidation, or even when opposition supporters have been beaten up by pro-regime elements.

15. (C) As we have widely reported, Kocharian's office for months threatened to shut down Radio Liberty, one of the only outlets in Armenia's monolithic electronic media to give voice to those critical of the authorities. When we raised the issue with the PM, he shrugged it off, indicating that whatever Radio Liberty chose to broadcast "won't make any difference" on election day. When we asked the Presidency to intervene against widespread misuse of state resources in support of the PM's campaign, it was PM Sargsian who, within a matter of days, issued a public statement directly addressing those concerns. The President remained silent. When we proposed a USAID-funded exit poll, the PM enthusiastically supported the idea in the local media. Within hours, the Presidency called in CDA to express its opposition to the poll, and frustration with the PM for supporting it without consulting President Kocharian first. (Note: As reported, the exit poll idea was subsequently abandoned, due at least in part to the President's objections. End Note.)

16. (C) Kocharian convened a rare press conference February 8 to warn LTP's opposition rival Artur Baghdassarian not to join forces with the surging LTP campaign. In a subsequent television address on February 16, he made a heavy-handed statement concerning the readiness of Armenian security forces to use "all means necessary" to end opposition-led civil disorder. In the same speech, he made the puzzling implication (seemingly contrary to the interests of Serzh

Sargsian's campaign) that Karabakhis had won their separatist war with Azerbaijan by themselves, suggesting that contributions from Armenia and LTP's government had been more hindrance than help. (Comment: While the swipe at LTP was clear, Kocharian's contention could also be viewed as insulting to the very electorate that Sargsian is now seeking to win. Voters who endured severe hardship and sent their sons to fight and die for the Karabakh cause are unlikely to appreciate being told that their sacrifices were counterproductive. End comment.)

17. (C) A close embassy contact who has known both Kocharian and Sargsian since their Karabakh days and who is at least somewhat sympathetic to the regime has theorized to us that Kocharian's extreme advocacy on behalf of the PM and demonstrated disregard for international views of the election process reflect the President's desire to keep Sargsian in a position of dependence. "Both the President and PM understand that the only way Serzh could lose this election is if they ratchet up the pressure so high that they produce a backlash that would benefit Ter-Petrossian," he said. "If they had played the campaign straight, Ter-Petrossian would never have become a threat." The fact that Kocharian seems determined to risk just such a backlash, our contact argued, means that "he doesn't want Serzh to achieve something that he (Kocharian) could not -- being elected in a clean vote." "By creating a situation in which Serzh's win will be perceived by many as tainted," he concludes, "Kocharian increases his leverage" over the PM, and preserves his options for a future political role.

18. (C) Another aspect of this strategy may be to accentuate Kocharian's control of the security apparatus during what many expect could be a confrontational stand-off with LTP supporters in the days after the election. By establishing himself as the guarantor of regime stability, Kocharian could create the impression among key insiders and supporters that he is indispensable to preserving the interests of the ruling elite. Contacts who know the two men well have described Kocharian as more "decisive" than Sargsian, implying that he may be more willing to meet opposition protest rallies with force.

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PRIME MINISTER KOCHARIAN?  
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19. (C) For months, many in the Armenian media and opposition have speculated that Kocharian intends to become Prime Minister once he steps down as president -- a scenario that was, until recently, flatly denied to us by pro-government insiders. Presidential advisor Garnik Isagulyan had told polchief several months ago that Kocharian had considered this possibility, but had later abandoned the idea when the Prosperous Armenia Party, a Kocharian creation, was soundly beaten by the ruling Republicans in the May 2007 parliamentary elections. Described here as "the Putin model," the scenario envisions Kocharian using the enhanced powers of parliament and government (at the expense of the President) enshrined in last year's constitutional changes to maintain effective control of Armenia even under a President Sargsian. Such speculation has only increased in recent days. Giro Manoyan, a luminary in the semi-oppositional Dashnaktsutyun (ARF), told polchief last week that he was convinced of Kocharian's intention to become PM. Armine Hovanissian, wife of opposition leader (and non-candidate) Raffi Hovanissian, recently told CDA the same thing in no uncertain terms. Mrs. Hovanissian made clear that she was expressing her husband's views. Avet Adonts, former head of Kocharian's international relations department and now chairman of the Parliamentary Committee on European Integration, told us February 18 that, after months of being certain that Kocharian had no such plan, he now views this as a very likely outcome. Kocharian's comments to the press over the weekend about the constitutional changes and the new balance of power between the Government (i.e., the Prime Minister) and the President could lend additional credence to

speculation that the Kocharian era is far from over.

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COMMENT  
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¶10. (C) Although the intentions behind Kocharian's actions are impossible to read with certainty, it is hard to argue against the contention that he has put the PM in a more difficult position than he needed to be. It could be that the PM will win comfortably in tomorrow's first round, and that widely anticipated street demonstrations will fizzle. That outcome, however, seems much less likely than it did just a few weeks ago. Our impression is that much of the apparent surge in support for Ter-Petrossian over the past 10 days is, in effect, a negative reaction to the PM and especially the tactics employed on his behalf. Intentional or not, the authorities have created a backlash. If ballot boxes are stuffed to get the PM over the top, or if security forces are required to quell opposition protests, Kocharian will seemingly gain leverage over Sargsian. Whether he would use such leverage to force his way into the Prime Minister's job or to maintain his influence as ex-president in some other way remains to be seen. In any case, it appears less and less likely that President Kocharian intends to go quietly into the night.  
PENNINGTON